



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 23, 1997

Mr. Joe DeHoog  
5730 Road 9 N.W.  
Ephrata, Washington 98823

Dear Mr. DeHoog:

This letter responds to your request dated July 1, 1997, that the Board reconsider its approval of the applications and notices of First Bank System, Inc., Minneapolis, Minnesota ("First Bank System"), to acquire U.S. Bancorp, Portland, Oregon ("U.S. Bancorp").<sup>1/</sup>

The Board's Rules of Procedure require that a request for reconsideration present relevant facts that for good cause shown were not previously presented to the Board. 12 C.F.R. 262.3(k). The members of the Board have considered your request in light of this standard.

You were a creditor of a Washington State dairy that defaulted on a loan made by a subsidiary bank of U.S. Bancorp, and you contend that the bank engaged in improper conduct in making the loan and in the foreclosure and bankruptcy proceedings that resulted when the dairy defaulted on the loan. As explained in the Order, the Board carefully considered your comments in light of all the facts of record, including supervisory assessments of the management and the loan policies for both organizations in relevant reports of examination. The Board also noted that the rights of creditors to recover from the defaulting dairy were adjudicated by the courts under applicable law. It further noted the authority of the courts to adjudicate allegations of improper conduct by the bank after the dairy defaulted on the loan and to provide you with an appropriate remedy if your contentions could be substantiated. Your request disagrees with the weight given to the facts of record and the

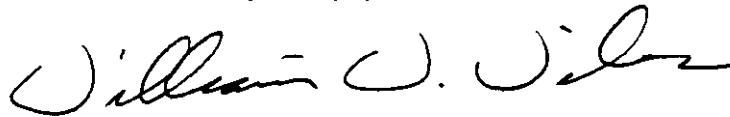
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<sup>1/</sup> First Bank System, Inc., 83 Federal Reserve Bulletin\_\_ (1997) (Order dated June 23, 1997) ("the Order").

conclusions reached in the Order without presenting new relevant facts that, for good cause shown, were not previously presented to the Board.

Based on all the facts of record, including the considerations discussed in this letter, no member of the Board has requested reconsideration of the First Bank System Order, or determined that the Board's decision in this case should be altered. Accordingly, your request for reconsideration is hereby denied.

Very truly yours,

A handwritten signature in black ink, appearing to read "William W. Wiles". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

William W. Wiles  
Secretary of the Board

cc: JoAnne Lewellen, Vice President  
Federal Reserve Bank of Minneapolis

John Cooney  
Dorsey & Whitney LLP